

FINAL

BAC 2004 Minutes
Meeting Date: 11/9/04

Milford Budget Advisory Committee Meeting Minutes Approved 11/16/04 Meeting Date 11/9/04

Attendance:

BAC Members:

Therese Muller
Bill Fitzpatrick
Mike Roske
Bob Courage
Kevin Taylor
Don Caisse
Gil Archambault
Joe Stella

Topics of Discussion:

Approval of Minutes
Information Systems Update
Review of BOS Budgetary Discussions
Department Reviews
 Department of Public Works, including Water and Wastewater
Closing
Additional Information: Cash Balances, Water & Sewer Funds 2004

Next Meeting: Next BAC meeting will be at 7:30 on Tuesday 11/16, in the Keyes Meeting Room upstairs at the Wadleigh Memorial Library.

APPROVAL OF MINUTES

The BAC voted 8-0 (1 absent) to amend and then approve the amended meeting minutes of the 11/2 BAC meeting. Approved minutes will be forwarded to BAC members and Dawn Griska. Dawn will save the minutes in .PDF format and forward them to Alan Woolfson for posting to the town's website.

INFORMATION SYSTEMS UPDATE

At the 11/8 BOS meeting, the BAC learned that Information Systems (IS) consulting has been bid out to Eagleview, Rand, and Atrium. Eagleview in Londonderry was chosen. The BOS approved the \$10,000 fee for assessment and evaluation of computer and phone systems. The report will include connectivity aspects (especially to other buildings), wiring, switches, servers, services like DSL (which we have now) and alternative services, PCs, applications, and phone systems, including voice over Internet Protocol (IP).

The Data Operations Technician is not sure how much Eagleview knows about Mobile Data Terminals (MDTs). He planned to call IMC – the MDT vendor – on Tuesday 11/9 to get “realistic cost estimates” and all other information they can provide.

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Eagleview will complete their report within one month of contract signing, expected to occur prior to 11/15. Eagleview is flexible and would take requests from the BAC of specifics needed/wished from the evaluation.

REVIEW OF BOS BUDGETARY DISCUSSIONS

A BOS budgetary meeting was held on 11/8. The following items were discussed, as reported by Bill Fitzpatrick:

1. Merv Newton submitted a memo, dated 11/3/04, requesting that no further work be performed toward creating playing fields at Kaley Park. There has been a new report issued that indicates the site may provide a water source yielding 700 gallons per minute, or 700,000 gallons in a 16-hour period. With the ongoing battle between Nashua and Pennichuck, the Kaley site may be useful as a water source. Additionally, the School District has expressed interest in building several fields on the Brox property which would provide needed town facilities.
2. The BOS approved a budget increase of \$2,059 to cover the 5% promotion increase granted to the assistant librarian. It was noted that this increase does not include any money for an annual raise as requested by the Library Director.
3. The 2005 Welfare budget has been adjusted according to the 3-year rolling average of expenses. The new budget line item is \$186,000. Because Welfare is a mandatory fund, the default budget has been adjusted accordingly.
4. The BOS discussed continuing to pay the \$9,000 annual membership fee to the Nashua Regional Planning Commission (NRPC). In recent years, the NRPC has made decisions that benefit the majority of its members and go against the best interests and needs of Milford. The BOS has asked that regular users of NRPC services justify the need to continue the Town's association with the NRPC.
5. As noted above, the BOS approved \$10,000 to fund an Information Systems study.
6. A discussion about whether to spend \$1,400 plus labor costs to fix 4 notebook computers instead of replacing them was tabled.
7. The next BOS budgetary review session will be on Monday 11/22 at 7:45 pm. The Ambulance Study Committee will also be presenting that evening.

DEPARTMENT REVIEWS

Department of Public Works, including Water and Wastewater

The overall impression of the BAC is that the DPW budget has the department's reorganization as its highest priority, and the total budget has been allocated to fund new supervisory positions to the detriment of services provided by the department.

Specific examples:

Under Cemeteries on p. 7 of the DPW budget, a 1/2 time superintendent is being added, such that the cemetery staff would consist of a superintendent, a foreman, 3 laborers, and a truck driver. This appears to be an excessive amount of management for the amount of labor hours included. The total wage budget is increasing less than \$3,000, yet includes a new management position. The implication is that there will be fewer hours available for actual work to be performed.

Under Parks on p. 42, the other half time for the superintendent is listed: a \$19,562 expense, while the total wage budget for Parks is increasing by only \$1,925 according to the Level 2 updates provided by the BOS. Again, the conclusion of the BAC is that there will be fewer labor hours available for work. This is especially an issue for the Parks department, where there have been historical complaints of poor service.

Also in the Parks budget is a \$2,500 expense for start-up and shut-down of the pool. The BAC does not understand why this job cannot be performed by town employees within the regular budget.

Finally, as the BAC has discussed in previous sessions, the DPW budget includes an expense for contracted field maintenance. This expense is to be used for the hiring of contractors to perform tasks such as aeration, lime, fertilization, and over seeding town fields. The BAC understands that the MCAA takes care of fields used by the organization with the exception of mowing those fields.

In general, Park maintenance appears to be a "filler" task to be performed at a very low priority, as evidenced by the extremely low "to-date" numbers reported as of the end of August, when the majority of field maintenance work is expected to have been completed.

Under Highways on p. 16, a superintendent is also included in the Highway administration expenses. This position increases the administration budget to \$163,958 in the 2005 Level 2 update, compared to a \$116,000 budget in 2004. There is also a new highway foreman included at a cost of \$33,821, while the overall Salaries/Wages budget has decreased from \$364,490 to \$351,215. Meanwhile, budgets for items such as resurfacing remain at relatively low levels, and are not being spent even at low levels. This is seen as another indication that monies are being allocated within DPW accounts to cover supervisory positions while essential services are not being provided by the department.

Also in the Highways & Streets budget, the "Sidewalk Maintenance" account (543610) is being doubled from \$5,000 to \$10,000 in 2005. The actual expense in this account for 2003 is listed as \$0, and the expense as of 8/24/2004 was \$747. The BAC does not understand the need for such a large budget when the line item is not being charged.

In the Transfer Station budget, the BAC is still waiting for cost analysis information from Katie Chambers regarding contracting an outside provider for removal of demo materials when the Town owns a roll-off truck and has personnel being paid at an "operator" level to use this equipment. Therese took an action item to follow-up with Katie on getting access to this information. Key assumptions in the analysis may have changed and require reevaluation to see if hiring an outside contractor is still cost-effective for the

town. If so, then there is a personnel issue as noted previously in that highly trained workers are not being fully utilized.

Recycling was discussed in terms of its value to the town. Sale of recycled materials brings in some level of revenue that affects the bottom line. However, the main driver behind recycling may be the feeling that town residents get in the belief that they are doing something good for the environment. Unfortunately, recent studies have shown that much of the labor intensive recycling effort is wasted because the market for recycled goods is not large, and the material must be re-sorted at receiving stations anyway. There may be an opportunity for labor savings by modifying the Town's recycling program.

The BAC met with Larry Anderson, head of Wastewater operations in Milford. Mr. Anderson's chief concern at this time is a finding that the level of copper in the Town's wastewater is too high. He is going to put out a request for proposal for 3 study companies to offer alternatives to resolve the problem. The study will cost approximately \$25,000, and it is believed that the cleanup effort will cost the Town \$1.5 million. The Assistant Public Works Director was not in attendance at the BAC's meeting. Because the Assistant Public Works Director is nominally responsible for environmental issues in the Town, Mr. Anderson was asked if the Assistant is involved in this study. It was determined that the Assistant PW Director has delegated this responsibility to Mr. Anderson.

Capital expenses have been approved by the BOS for the Wastewater Department to replace the treatment plant sewer outfall piping that discharges into the river. The upgrade will include relocating piping, adding diffuser capabilities and additional manholes for easier maintenance. Estimated cost of this project is \$237,328.

Summary:

The DPW budget seems focused on accomplishing reorganization. On 10/19, discussion at the BAC identified the purpose of reorganization to be allowing the Public Works director to focus on larger priorities, while an assistant, with the help of capable supervisors, manages the day-to-day operations of the department. This is an excellent goal, but the size of the department sheds doubt on the need for so many layers of management. In addition, those responsible for such large portions of the Town's budget should be fully educated, trained, and experienced in their field of expertise. It appears to be the case that the management staff is still trying to fit into their roles and is not having an affect on operational efficiency.

Finally, the need to "focus on larger priorities" is also questioned, as the DPW has excellent long-range plans already in place, including 20-year plans for Water, Wastewater, Highways, and an overall Park Management Plan.

The BAC ended the discussion with a question for Bill Ruoff, Public Works Director: "What is needed for long-term and higher priority work?"

OTHER DISCUSSION

Katie Chambers has requested that Bill Ruoff, Public Works Director, meet with the BAC. Bill has stated to her that the BAC has made some incorrect assumptions. The nature of those assumptions was not stated in the message to the BAC.

With the many questions that the BAC has for the Public Works Director as well, the consensus of the meeting was to invite Mr. Ruoff to participate in an in-depth discussion of the Public Works Department, its organization, and the services to be provided in 2005 and coming years.

CLOSING

The BAC meeting adjourned at 9:30 pm.

Next meeting will be in the Keyes Meeting Room (upstairs in the Library) at 7:30 on Tuesday 11/16/04.

SUPPLEMENTAL INFORMATION

The following Water & Sewer Capital Reserve Cash Balances were provided by Therese from the BOS:

**Cash Balances
Water & Sewer Funds - 2004**

WATER FUND				SEWER FUND			
<i>Date</i>	<i>Cash Balance</i>	<i>Capital Reserve</i>	<i>Capital Projects</i>	<i>Date</i>	<i>Cash Balance</i>	<i>Capital Reserve</i>	<i>Capital Projects</i>
1/31/04	193,961	226,006	52,803	1/31/04	369,988	268,627	-
2/29/04	194,561	233,735	52,803	2/29/04	171,775	276,531	-
3/31/04	224,649	241,464	52,803	3/31/04	200,390	291,114	-
4/30/04	216,735	249,193	52,803	4/30/04	151,949	305,697	-
5/31/04	210,587	256,922	52,803	5/31/04	131,925	320,280	-
6/30/04	247,151	264,651	52,803	6/30/04	46,814	334,863	-
7/31/04	159,738	272,482	52,824	7/31/04	8,763	332,288	-
8/31/04	217,223	280,211	12,824	8/31/04	29,993	341,471	-
9/30/04	356,866	281,738	12,824	9/30/04	70,352	351,102	-
10/31/04				10/31/04			
11/30/04				11/30/04			
12/31/04				12/31/04			

Cash Balance: Unrestricted cash represents accumulated funds from revenue collections less payments of operating expenses

Capital Reserve: Restricted for Repair or Replacement of Capital Items including associated costs. Project must be approved by Water/Sewer Commissioners (BOS)

Cash Balance: Restricted - Represents Funds Remaining from Bond Issues. Funds may only be used for the purpose of the bond issue or for Bond Principal Payments.

ACTION ITEMS FROM 11/9 MEETING:

Therese: Obtain a copy of the cost estimation of using an outside hauler at the Transfer Station versus making active use of roll-offs and Town personnel.

VOTES AT THE 11/9 MEETING:

None.

===END=====